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Department of State
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Mr. Chairman, members of the Subcommittee, the United States and Haiti are neighbors and friends, the two oldest republics in the hemisphere. Our important links to Haiti have been forged by history and geography and tempered by the cordial bonds of family and friendship.

Mr. Chairman, the United States is not alone in its perception of Haiti's regional importance. Our friends and partners in the Western Hemisphere, in the Europe Union and beyond coordinate closely with the United States in an interdependent, international effort to secure a stable, democratic future for Haiti. The United Nations Stabilization Mission in Haiti (MINUSTAH) military forces are under the command of a Brazilian general. Twelve of our Western Hemisphere neighbors contribute troops or police to MINUSTAH, an outstanding example of growing regional interest in, and capacity for, mutually beneficial cooperation.

The United States also remains Haiti's largest bilateral assistance donor, allocating over \$600 million between 2004 and 2006. The President requested \$198 million in assistance for Haiti in his Fiscal Year 2007 budget submission. Haiti is one of two countries in the Western Hemisphere receiving funding under the President's Emergency Plan for AIDS Relief (PEPFAR). The U.S. financial contribution to MINUSTAH amounted to \$120 million in FY 2006. While neither leading nor contributing military units to the United Nations mission, the U.S. remains the driving force in Haiti's transition to democracy.

Ninety-one direct-hire Americans work in Embassy Port-au-Prince, spread throughout eight facilities and representing nine U.S. Government agencies. Under the leadership of U.S. Ambassador Janet Sanderson, they are a highly talented and dedicated team, who work under difficult circumstances to support U.S. interests in Haiti.

Mr. Chairman, on February 7, with the support of the U.S. and their other friends, Haitians went to the polls and voted for presidential and parliamentary candidates in what independent observers noted was a free, fair and inclusive election. The United States provided approximately \$30 million for transparent administration of the national elections, as well for support for political parties, voter education, civil society and local media.

The United States welcomed the reestablishment of constitutional government in Haiti as a major step forward towards long-term stability and the rule of law. The efforts of the Haitian Provisional Electoral Commission (CEP) and its Director General, Jacques Bernard, in these successful national elections deserve recognition. The United States also welcomes the CEP's strong leadership as Haiti prepares for its next round of elections. This is a clear indication of Haiti's increased capacity to manage its restored democracy.

As a result of this substantial progress, Haiti, with the cooperation of its friends in the international community, has a promising opportunity to secure a brighter future for its people.

Mr. Chairman, the United States works closely with President Préval and the government of Prime Minister Alexis to assist in consolidating Haiti's democracy. The Government of Haiti is making headway on the many obstacles to stability and development.

Haiti must bring its democratic transition to a close by completing the cycle of elections. The United States expects the Government of Haiti to hold remaining elections as soon as practicable, certainly no later than this winter. Holding municipal and local elections is the next critical step to bring the benefits of democracy to the people in the places where they live. These elections will also establish key parts of the judiciary and the Permanent Electoral Council.

The United States has provided an additional \$4 million to assist with administration of this last set of elections. The United States will do all it can to preserve the gains of these elections by supporting the establishment of a permanent CEP to manage future elections once this last balloting cycle ends. The U.S. welcomes past efforts of the Organization of American States's Special Mission to Haiti to register voters and its continued activities aimed at establishing a modernized civil registry.

Mr. Chairman, I am pleased to note that there has been progress on human rights in Haiti, especially in the area of high-profile detentions. In January of this year, long-time detainee Father Gerard Jean-Juste was released from detention to seek medical attention in the United States. In July, former Haitian Prime Minister Yvon Neptune was also released from over two years in prison. In addition, on August 15, a judge released from pre-trial detention Lavalas party supporters Annette “So-Ann” Auguste, George Honoré, Paul Raymond, and Yvon “ZapZap” Antoine. Yet, despite the progress Haiti is making, much remains to be done.

Respect and protection of human rights in Haiti remains a serious challenge. The United States is addressing a lack of capacity and issues of integrity within the law enforcement and judicial sectors by focusing on improving the administration of justice in Haiti, developing the Haitian National Police, reducing the high-rate of pre-trial detention, and working with international donor’s to improve the deplorable conditions of Haiti’s over crowded prisons.

The United States has provided advisors to key government ministries. To improve the justice system, the U.S. has trained 800 judges, prosecutors, and clerks. The U.S. also works with local organizations to promote civic education and the growth of civil society.

Mr. Chairman, security remains the most significant challenge to Haiti’s development and stability. The rampant criminality and kidnappings that currently plague Port-au-Prince inhibit economic growth and are a disincentive to investment. This current security climate threatens the stability of the country, and limits the ability of the Haitian government and the international community to direct assistance to Haiti’s most desperate areas, such as Port au Prince’s sprawling Cite Soleil slum.

I am pleased to report that, in recent weeks, the Haitian National Police and MINUSTAH’s international military and police units, under the direction of the Haitian government, have stepped up their efforts to confront and disarm criminal gangs, increasing patrols and check points in critical areas. The United States fully supports the efforts of President Préval and Prime Minister Alexis to address Haiti’s gang problem aggressively and decisively.

Haiti's development and future prosperity can only be achieved in a stable and secure environment. In order to help establish that environment, since 2004 the United States has committed over \$39 million in essential equipment and training assistance to the Haitian National Police, including support of human rights vetting, training and equipment for new recruits, upgrades to eight model police stations throughout Haiti, humanitarian and security improvements to several detention facilities, and technical assistance to promote ethics and accountability within the organization. The U.S. urges other countries to join us in this effort. U.S. funding also supports a 50-officer contribution to MINUSTAH's UN police mission. To date, over 1,500 new recruits have graduated from the restarted police academy, and almost 1,000 existing HNP officers have received refresher law enforcement and human rights training. In addition, the U.S. has provided training and equipment to the counter drug unit of the Haitian National Police and renovated Haitian Coast Guard bases at Killick and Cap Haitien.

The United States applauds the efforts of HNP Director General Mario Andresol to improve the quality of performance of the HNP. Since his arrival in August 2005, he has actively fought to weed out corruption within the organization and even arrested members of the HNP, included several high-level individuals, allegedly involved in arbitrary murders of civilians. The U.S. welcomes the new government's decision to retain Andresol as Director General of the HNP. The government's support for increased professional in the HNP bodes well for the continued reform of this key public security force.

In addition to our police assistance programs, Under Secretary of State Joseph recently approved the modification of our arms embargo to allow licensing for the commercial sale of weapons and other restricted items to the Haitian government. This decision was made after careful consideration and recognizes Haiti's return to elected democracy and the new government's efforts to promote security and stability throughout the country. This will also facilitate MINUSTAH's ability to perform its security functions and support the legitimate law enforcement needs of the HNP.

Mr. Chairman, on the 5th anniversary of the Inter-American Democratic charter, Western Hemisphere countries are taking significant responsibility in supporting Haiti's return to stable democracy.

This is particularly evident in MINUSTAH where special representative Edmond Mulet of Guatemala is demonstrating excellent leadership, as did his Chilean predecessor Juan Gabriel Valdes. Brazil and Canada are providing strong leadership to MINUSTAH's troops and police contingents. Western hemispheric countries make up almost 50% of the almost 9,000 MINUSTAH troops and civilian police.

On August 15, the United Nations Security Council renewed MINUSTAH's mandate for six months, with the intention of future renewals. MINUSTAH's mandate underscores the mission's responsibility to coordinate with the government in countering crime and violence, particularly in urban areas. MINUSTAH has the tools necessary to support the Haitian government's efforts to tackle crime and gang activity, and to restore order to Cite Soleil and other gang-controlled areas.

The Government of Haiti is coordinating in a program of disarmament, demobilization and reintegration for gang members and has appointed a commission to oversee the program. The government seeks to encourage 1,000 rank and file gang members to put down their weapons using employment and assistance incentives, and to bring to justice those gang-members with outstanding warrants.

Mr. Chairman, the U.S. and our international partners have demonstrated a strong commitment to Haiti's short- and long-term development. Working in partnership with the Haitian government, the U.S. has a two-pronged strategy to transform Haiti into a more stable, prosperous and democratic nation. This strategy includes both high-impact programs that provide immediate, tangible benefits for Haiti's most vulnerable segments of society, coupled with long-term support and technical assistance for security, institution building, democratization, social services, and economic development. Many of these objectives will require a long-term commitment by the international community as well as the Haitian government. There are no easy fixes. Continued external assistance, with the U.S. as a lead donor, is critical to achieve real and sustainable development.

In July of this year, the U.S. and its international partners met in Port-au-Prince to discuss development strategy with the Haitian government. The U.S. pledged \$210 million out of a total international pledge of \$750 million for the period July 2006 through June 2007. The next International

Conference on Haiti's Economic and Social Development will be held on November 30, 2006 in Madrid. The July pledging conference was significant in that, unlike recent pledging conferences, Haiti now has a democratically elected President and a constitutionally formed government. The donor coordination process has been formalized within Haiti's Interim Cooperation Framework, which has recently been extended to September 2007. The U.S., through USAID, has been playing a lead role in this process to ensure that assistance is used effectively and expeditiously.

The U.S. is committed to improving the lives of average Haitians. In fiscal years 2004 and 2005, the U.S. allocated over \$385 million for improving governance, security, the rule of law, economic recovery, and critical human needs. With the addition of over \$224 million estimated for FY 2006, total U.S. assistance to Haiti is expected to be approximately \$609 million for the three-year period. As noted, the President's budget request for FY 2007 includes over \$198 million for Haiti.

U.S. Government assistance is used to foster broad-based economic recovery in Haiti and address the critical humanitarian needs. A few programmatic highlights:

- Economic growth: U.S. Government programs have distributed more than 200,000 loans to small and micro enterprises; provided \$24 million to support electricity generation; and created over 200,000 short-term jobs.
- Urban Initiatives: The U.S. Government-funded urban peace building initiative promotes peace in troubled neighborhoods by providing short-term job opportunities focused on infrastructure repair and implementing educational and health programs.
- Health: The U.S. Government provides healthcare services to 40% of the Haitian population nationwide. More than 2 million infants have been vaccinated. Approximately \$55 million has been approved for FY2006 under the President's Emergency Plan for AIDS Relief (PEPFAR), a \$5 million increase over 2005. Through PEPFAR, an estimated 4,300 individuals have begun anti-retroviral therapy.
- Food Aid and Disaster Relief: The food assistance program has distributed 34,000 metric tons of emergency food relief, equivalent to

850,000 food rations. Responding to the devastation of Tropical Storm Jeanne in 2004, a \$34 million program repaired homes, schools, and other public buildings.

- Education: U.S. Government-funded programs are improving education at 450 primary schools; 150,000 children and youth have benefited from education programs.

Mr. Chairman, even with this strong U.S. and international commitment, Haiti's needs remain enormous. Haiti will require long-term external support even with the implementation of governance reforms, security, and a stable and democratic government.

Haiti is the least-developed country in the Western Hemisphere and one of the poorest in the world. Economic disparity is acute: more than 80% of its 8.5 million inhabitants live below the poverty level while 1% of the population controls 50% of wealth. Social and economic indicators have worsened over the last 20 years, while population growth has been dramatic. The economy remains fragile and dependent on foreign assistance and remittances.

In spite of these enormous challenges, there are a number of positive developments. After almost 4 years of recession ending in 2004, the economy grew by 1.5% in 2005. GDP growth is projected to reach 2.5% in 2006, though a significant improvement in living standards would require a doubling of the growth rate. Since 2004, the financial situation has also stabilized, though it remains extremely fragile. Inflation has fallen from 42.7% at end-2003 to 15% by end September 2005, and is declining further. Persistent high oil prices put at risk the 10% inflation target for FY06. President Préval has continued the Interim Government of Haiti's largely sound fiscal policy.

With U.S. assistance, through the U.S. Department of Treasury, the Haitian government has begun to increase its traditionally low revenue collection rate, which has previously constrained its ability to provide social services and invest in physical and human capital. In particular, the U.S. welcomes the government's successful efforts to increase its revenue collection. As a result, the Government of Haiti appears to have closed a budget deficit that had been projected for fiscal year 2006.

The IMF recently announced that Haiti is eligible for debt relief under the enhanced HIPC (Highly Indebted Poor Countries) Initiative. Debt relief would free critically needed resources for other developmental and humanitarian priorities. The U.S. is Haiti's largest trade partner. In 2005, U.S./Haitian bilateral trade totaled over \$1.1 billion. And strong potential exist to expand our commercial relationship. Within the Caribbean region, Haiti was welcomed back as a full member of CARICOM in July.

One of Haiti's most urgent needs is large-scale job generation. In addition to funding short-term employment, U.S. activities are working to increase the productivity and incomes of small agricultural producers, and extending credit and financial services to artisans, small businesses, and micro entrepreneurs. Yet, Haiti will not be able to attract critically needed private investment to create jobs unless security is improved. Investors, as well as donors, need an environment that enables, not hinders, development. A strong and sustained commitment by the international community, with the U.S. in the lead, will provide Haiti with the necessary resources to enhance security and build institutions that are so essential for creating a commercial climate that can attract desperately needed investment and create income generating jobs.

Mr. Chairman, President Préval's efforts to reach across long-standing divides and to consult with political rivals, the business community and others, constitute one of the most constructive developments in the Haitian political landscape in decades. President Préval formed a politically inclusive cabinet. In addition, the new Haitian Parliament broadly reflects Haitian society. The U.S. expects this inclusive trend to continue in the upcoming municipal and local elections. This development also sows the seeds of a broader, long-awaited national reconciliation and the U.S. encourages the Government of Haiti to advance national reconciliation efforts country-wide. For a reconciliation process to reach all potential conflict generators in Haiti, there must be a larger venue for the process than collegial dialogue in Parliament. The U.S. will support efforts to extend the processes of inclusive political discussion and national reconciliation discussions throughout Port-au-Prince and to other areas such as Gonaives and Cap Haitien.

Mr. Chairman, as Secretary Rice observed in November 2005, elections are only the first step in Haiti's recovery and transition to stable democracy. Building Haiti's future will require years of intense effort and

sustained international commitment. The United States must lead this endeavor to build a peaceful, democratic, and prosperous Haiti, and the U.S. will continue to cooperate with our international partners in this effort. On September 22, Under Secretary Nicholas Burns hosted a meeting of representatives from key countries and international financial institutions engaged in Haiti. Their discussions once again underscored the strong international commitment to long-term support for Haiti. The United States will coordinate with the Government of Haiti and our international partners in this effort.

The United States will continue to make a positive difference in Haiti, even if the road ahead is long. While the United States has helped Haiti take a huge step forward by assisting the return to democratic and transparent governance, additional resources will be required to help transform Haiti into a more stable and prosperous nation to avoid a repetition of the familiar past cycles of intervention and neglect.

With improvements in justice and the rule of law and with establishment of a social climate attractive to investors and trade, our sustained engagement will provide a realistic and achievable opportunity for Haiti to become both a permanent member of the community of democratic nations and a stable economic partner for its Western Hemisphere neighbors.